
Senate Engrossed House Bill

State of Arizona
House of Representatives
Forty-seventh Legislature
First Regular Session
2005

CHAPTER 126

HOUSE BILL 2189

AN ACT

AMENDING SECTIONS 20-284 AND 20-289.01, ARIZONA REVISED STATUTES; RELATING TO INSURANCE PRODUCERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 20-284, Arizona Revised Statutes, is amended to read:

20-284. Application for examination

A. A resident individual applying for an insurance producer license shall pass an examination **WITHIN THE ONE HUNDRED TWENTY DAY PERIOD THAT PRECEDES THE DATE THE DIRECTOR RECEIVED THE INDIVIDUAL'S LICENSE APPLICATION** unless the individual is exempt pursuant to section 20-288. The examination shall test the knowledge of the individual concerning the lines of authority for which the application is made, the duties and responsibilities of an insurance producer and the insurance laws of this state.

B. FOR AN INDIVIDUAL CALLED INTO ACTIVE MILITARY SERVICE AFTER PASSING THE EXAMINATION, THE ONE HUNDRED TWENTY DAY PERIOD PRESCRIBED BY SUBSECTION A OF THIS SECTION SHALL BE EXTENDED BY THE NUMBER OF DAYS THAT THE INDIVIDUAL WAS IN ACTIVE MILITARY SERVICE, NOT TO EXCEED A TOTAL OF ONE YEAR. AN INDIVIDUAL APPLYING FOR AN INSURANCE PRODUCER LICENSE PURSUANT TO THIS SUBSECTION SHALL INCLUDE WITH THE LICENSE APPLICATION A

COPY OF THE DOCUMENTATION FROM THE ARMED FORCES SHOWING THE PERIOD OF TIME THAT THE INDIVIDUAL WAS IN ACTIVE MILITARY SERVICE. FOR THE PURPOSES OF THIS SUBSECTION, ACTIVE MILITARY SERVICE DOES NOT INCLUDE PERIODIC AND ROUTINE SERVICE AS A MILITARY RESERVIST.

B. C. The director shall make the examination available to applicants for licenses with such frequency as shall meet the reasonable convenience of both the director and applicants, but at least every sixty days. The director may reasonably prescribe by rule the time, places and conduct of examinations. **and** **EXCEPT AS PROVIDED IN SUBSECTION H OF THIS SECTION THE DIRECTOR MAY** require a reasonable waiting period before examination of an applicant who failed to pass a previous similar examination.

C. D. The director shall ensure that all examinations are given, conducted and graded in a fair and impartial manner and without unfair discrimination as among individuals examined. At the director's discretion, any written examination may be supplemented by an oral examination of the applicant. The director shall inform the applicant of the result of the examination within thirty days after the examination.

D. E. The director may appoint one or more advisory committees to make recommendations to the director as to the scope, type and conduct of written examinations under this article. The members of the committee shall serve without pay and without expense to the state.

E. F. An individual who fails to appear for the examination as scheduled or who fails to pass the examination shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

F. G. An individual shall not take an examination for a line of authority for which the individual already holds a license in this state.

H. THE DIRECTOR SHALL NOT ALLOW AN INDIVIDUAL TO TAKE AN EXAMINATION ADMINISTERED FOR ANY LINE OF LICENSE AUTHORITY PURSUANT TO THIS SECTION MORE THAN FOUR TIMES WITHIN A TWELVE-MONTH PERIOD. IF AN INDIVIDUAL FAILS AN EXAMINATION FOR A SPECIFIC LINE OF AUTHORITY FOUR TIMES, THE INDIVIDUAL MAY NOT TAKE AN EXAMINATION FOR THAT LINE OF AUTHORITY FOR ONE YEAR. FOR THE PURPOSES OF THIS SUBSECTION, AN INDIVIDUAL WHO FAILS AN EXAMINATION THAT COVERS MORE THAN ONE LINE OF LICENSE AUTHORITY IS CONSIDERED TO HAVE FAILED THE EXAMINATION FOR EACH INDIVIDUAL LINE OF LICENSE AUTHORITY.

Sec. 2. Section 20-289.01, Arizona Revised Statutes, is amended to read:

20-289.01. Inactive license or application status during military service

A. A licensee **OR APPLICANT** who is ordered into active military service may request that the license **OR APPLICATION** be placed on inactive status by sending the department a written statement that includes all of the following:

1. The licensee's name.
2. The licensee's license number or social security number.
3. The date that the active military service begins.
4. A request for inactive status.

B. The license **OR APPLICATION** is deemed to be on inactive status while the licensee **OR APPLICANT** is in active military service.

C. A licensee whose license is on inactive status:

1. Shall not sell, solicit or negotiate insurance.
2. May receive renewal or other deferred commissions for selling, soliciting or negotiating insurance in this state if the licensee was required to be licensed under this article at the time of the sale, solicitation or negotiation and held an active license at that time.

D. The time periods for submission of the license renewal fee and for completion of the applicable renewal requirements prescribed in this article and the continuing education requirements that are prescribed in chapter 18, article 1 of this title and that apply to a licensee with an active license are extended for a licensee whose license is on inactive status by the number of days that the licensee is in active military service. A licensee applying for renewal under this section shall include, with the renewal application, a copy of the documentation from the armed forces showing the period of time that the licensee was in active military service.

E. For the purposes of this section, active military service does not include periodic and routine service as a military reservist.

Sec. 3. Applicability

Section 20-284, Arizona Revised Statutes, as amended by this act, applies only for examinations that are administered from and after the effective date of this act.

APPROVED BY THE GOVERNOR APRIL 18, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2005.